



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

**FINANCIAL REVIEW COMMISSION FOR THE SCHOOL DISTRICT OF
THE CITY OF DETROIT AND THE DETROIT PUBLIC SCHOOLS
COMMUNITY DISTRICT**

RESOLUTION 2020-6

**CERTIFYING (I) ADOPTION AND ADHERENCE TO DEFICIT-FREE
BUDGETS FOR THREE CONSECUTIVE YEARS (II) COMPLIANCE
WITH THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT PER
MCL 141.1638 (g) AND (III) GRANTING THE SCHOOL DISTRICT OF
THE CITY OF DETROIT A WAIVER PURSUANT TO SECTION 8 OF
THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT**

WHEREAS, the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1631 to 141.1643, (the “Act”) created the Financial Review Commission for the School District of the City of Detroit and the Detroit Public School Community District (the “Commission”) to provide oversight of the School District of the City of Detroit (“DPS”) and the Detroit Public Schools Community District (“DPSCD”) beginning on June 21, 2016; and

WHEREAS, the Act charges the Commission with, among other things, (a) ensuring that DPS and DPSCD meeting certain statutory requirements, (b) reviewing and approving budgets and certain contracts of DPS and DPSCD, and (c) establishing processes to ensure effective and prudent fiscal management for DPS and DPSCD; and

WHEREAS, under Section 8 of the Act, the Commission must waive the requirements applicable under Section 6 and 7 of the Act to DPS if the Commission certifies that all of the requirements are met:

(a) that DPS has adopted and adhered to deficit-free budgets for three consecutive years that comply with generally accepted accounting principles and are in accordance with the Uniform Budgeting and Accounting Act, Public Act 2 of 1968, as amended, MCL 141.421 to 141.440a (the “Budget Act”);

(b) that the State Treasurer and the chief financial officer for DPS, if applicable, certify that both of the following are met:

(i) all municipal securities or debt obligations sold by or for the benefit of DPS in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the school district; and

(ii) there is a substantial likelihood that municipal securities or debt obligations can be sold by DPS in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with the school district’s financial plan, as applicable;

(c) that DPS has demonstrated to the Commission’s satisfaction that DPS has sufficient ability to borrow in the municipal securities market or within DPS;

(d) that DPS did not violate the plan for adjustment in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year;

(e) that the State Treasurer has certified that the school district is in compliance with the Budget Act;

(f) that the school district is in substantial compliance with the Act;

(g) that the school district has fully satisfied all of its current obligations to the Michigan Public School Employees Retirement System (“MPERS”); and

(h) that the school district has implemented a program in which all contracts awarded by the school district are posted on the school district’s public website within 30 days of the contract

award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract; and

WHEREAS, on behalf of DPS, DPSCD seeks a waiver of active oversight of DPS by the Commission and has provided the Commission documentation indicating that DPS has partially satisfied the conditions for a waiver under Section 8 of the Act.

NOW THEREFORE, be it **RESOLVED** by the Financial Review Commission for the School District of the City of Detroit and the Detroit Public Schools Community District:

1. That the Commission hereby certifies that DPS has partially satisfied the requirement under Section 8(2)(a) of the Act that DPSCD, on behalf of DPS, adopt and adhere to a deficit-free budget for DPS for three consecutive fiscal years. Documentation indicating that DPSCD, on behalf of DPS, adopted and adhered to a deficit-free budget for DPS for Fiscal Year 2017-2018, which is attached as Exhibit 1-A. Documentation indicating that DPSCD, on behalf of DPS, has adopted and adhered to a deficit-free budget for DPS for Fiscal Year 2018-2019 is attached as Exhibit 1-B. Correspondence from DPSCD on behalf of DPS indicating that DPSCD has adopted and adhered to a deficit-free budget for Fiscal Year 2019-2020, is attached as Exhibit 1-C, but that compliance has not yet been verified by an audited financial statement for Fiscal Year 2019-2020.

2. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(b)(i) of the Act that the State Treasurer and that the chief financial officer of DPSCD on behalf of DPS (the “CFO”) both certify that all municipal securities or debt obligations sold by or for the benefit of DPS in the general public market during Fiscal Year 2019-2020 and Fiscal Year 2020-2021 satisfied the capital and other financial requirements of DPS. The certification by the State Treasurer is attached as Exhibit 2-A. The certification by the CFO is attached as Exhibit 2-B.

3. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(b)(ii) of the Act that the State Treasurer and that chief financial officer of DPSCD on behalf of DPS (the “CFO”) both certify that there is a substantial likelihood that municipal securities or debt obligations can be sold by DPS in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with DPS’s financial plan. The certification by the State Treasurer is attached as Exhibit 3-A. The certification by the CFO is attached as Exhibit 3-B.

4. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(d) of the Act that DPS demonstrate to the Commission’s satisfaction that DPS has sufficient ability to borrow in the municipal securities market or within DPS. A letter from the financial advisor for DPS regarding the ability of DPS to access the market to finance capital improvements is attached at TAB 4-A.

5. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(e) of the Act that DPS did not violate a plan for adjustment in the immediately preceding fiscal year and is not in violation in the current fiscal year because DPS has not filed for bankruptcy and is not subject to a plan for adjustment.

6. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(f) of the Act that the State Treasurer certify that DPS is in compliance with the Budget Act. A copy of the certification by the State Treasurer is attached as Exhibit 6.

7. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(g) of the Act for DPS to be in substantial compliance with the Act. The Commission has previously adopted resolutions in prior fiscal years confirming that DPS was in substantial compliance with the Act.

8. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(h) of the Act to have satisfied all of its current obligation to MPSERS. A copy of an invoice from MPSERS indicating that DPS is current in its current obligations to MPSERS is attached as Exhibit 8.

9. That the Commission hereby certifies that DPS has satisfied the requirement under Section 8(2)(i) of the Act to implement a program in which all contracts awarded by DPS are posted on DPS's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract by establishing the Internet website located at <https://www.detroitk12.org/finance/procurement/contracts>.

10. That pursuant to Section 8 of the Act, the Commission hereby waives requirements designated in sections 6 and 7 and applicable to DPS effective upon the date on which DPS files with the State Treasurer a certified financial report prepared by an independent auditor for Fiscal Year 2019-2020.

11. That the Commission hereby informs DPS that the Commission must rescind the waiver from the requirements of Section 6 and 7 of the Act granted to DPS by this resolution pursuant to Section 8(3) of the Act if any of the following occur, or if there is a substantial likelihood that any of the following will occur:

- (a) DPS fails to pay principal of or interest on any municipal securities when due or payable;
- (b) DPS incurs a budget deficit in a fiscal year equal to or more than 5% of the total expenditures in that year based on generally accepted accounting principles;
- (c) DPS issues municipal securities without the authorization of the Commission or in violation of the Revised Municipal Finance Act, Public Act 34 of 2001, as amended, MCL 141.2101 to 141.2821;

- (d) DPS violates the Act or any mandatory financial controls in a manner that substantially impairs DPS's ability to pay principal of and interest on municipal securities or other debt when due and payable or its ability to adhere to a balanced budget;
- (e) DPS violates any provision of any applicable plan for adjustment;
- (f) the State Treasurer or the CFO fail to certify that the criteria in subsection (8)(2)(b) of the Act are met; or
- (g) the CFO resigns, is terminated is removed, or the office of CFO otherwise becomes vacant and a successor to the CFO is not appointed within 180 days of the vacancy; or
- (h) DPS has not satisfied the requirements relating to DPS contracts in Section 8(2)(h) of the Act.

12. That the Commission will review the waiver from the requirements of Section 6 and 7 of the Act granted to DPS by this resolution annually and, by December 31 of each year after 2020, make a determination as to whether to renew the waiver for the subsequent year.

13. That this waiver, and any subsequent waivers, will be reviewed and acted upon by the Commission upon timely submission of the following information and reports to the Commission:

- (a) Within 45 days after the end of each month:
 - (i) Current fiscal year-to-date actuals to budget and annualized projections, in the form provided to the Commission by DPSCD on behalf of DPS during the 12 months before the waiver granted by this resolution.
 - (ii) Monthly analysis in the form provided to the Commission by DPSCD on behalf of DPS during the 12 months before the waiver granted by this resolution.

(iii) Current fiscal year-to-date net cash flows, including a current ratio analysis, in the form provided to the Commission by DPSCD on behalf of DPS during the 12 months before the waiver granted by this resolution.

(b) Within 45 days of the end of each quarter:

(i) A summary report of the debt service and current status of payments made by DPSCD on behalf of DPS to MSPERS and the State Emergency Loan Board.

(c) On an annual basis:

(i) At least 45 days before the adoption of the annual budget for a fiscal year, a summary report of changes from the budget for the then-current fiscal year necessary to assure a deficit-free budget in the next fiscal year of DPS

(ii) By June 30 of each year, DPSCD presents on behalf of DPS an adopted deficit-free budget for DPS to the Commission.

14. That during any waiver period, the Commission will continue its regular meetings. At these regular meetings, the Commission's staff will make a presentation to the Commission addressing whether financial distress has or is about to occur within DPS as provided in the Act. If financial distress is detected, the Commission's staff shall recommend that the waiver be rescinded.

15. That this resolution is effective upon the submission by DPSCD on behalf of DPS with the State Treasurer of a certified financial report prepared by an independent auditor for Fiscal Year 2019-2020 indicating a deficit-free budget for Fiscal Year 2019-2020 for DPS and this resolution will remain in effect until the state treasurer certifies that all outstanding debts of that qualified school district are paid in full.

DETROIT FINANCIAL REVIEW COMMISSION

Annual Certification of the School District of the City of Detroit (“DPS”)
 Compliance with the Michigan Financial Review Commission Act (Act 181 of 2014)
 Per MCL 141.1636(2)

For the Period September 1, 2019 through October 15, 2020

Presented on October 26, 2020

Requirement	FRC Act Sec. No.	Compliance
Statutory compliance: Michigan financial review commission act terms and conditions, 2014 PA 181	6(2)	See attached verification of compliance.
Statutory compliance: Section 8 of the publicly funded health insurance contributions act requirements, 2011 PA 152, MCL 15.568	6(3)(a)	See attached verification of compliance.
Statutory compliance: revised municipal finance act requirements, 2001 PA 34, MCL 141.2101 to 141.2821	6(3)(c)	See attached verification of compliance.
Statutory compliance: uniform budget and accounting act requirements, 1968 PA 2, MCL 141.421 to 141.440a	6(3)(d)	See attached verification of compliance.
Statutory compliance: revised school code requirements, 1976 PA 451, MCL 380.1 to 380.1852	6(3)(e)(i)	See attached verification of compliance.
Statutory compliance: Article I of the state school aid act of 1979 requirements, 1979 PA 94, MCL 388.1601 to 388.1772	6(3)(e)(ii)	See attached verification of compliance.
Statutory compliance: public school employees retirement act of 1979 requirements, 1980 PA 300, MCL 38.1301 to 38.1437	6(3)(e)(iii)	See attached verification of compliance.
FRC review and approval of all applicable contracts	6(6)	DPS has not submitted any contracts.
The CFO provide needed information and documents to FRC and attend FRC meetings when needed	6(7), 7(d), and 7(o)	The CFO has been responsive to requests for information and documents and have attended meetings when requested.
FRC review and approval of collective bargaining agreements (CBAs)	6(9)	DPS has not submitted any CBAs for review or approval.
Quarterly debt service certifications	6(11)	DPS has provided all required quarterly certifications.
FRC review of City revenue estimates	7(a)	DPS has provided its revenue estimates to the FRC in connection with its budget submissions per subsection 7(c).
FRC review and approval of operational budgets and budget amendments	7(c)	DPS has submitted one amendment to the FY 2020 general fund budget since 9/1/2019 and the FRC approved it. DPS submitted the FY 2021 general fund budget on June 29, 2020 and the FRC approved it.

FRC review and approval of requests to issue debt	7(e)	DPS has requested to issue and sell bonds in a direct placement and in a public offering to refund outstanding DPS unlimited tax general obligations and the School Bond Loan Fund loan outstanding since 9/1/2019 and the FRC approved the request.
FRC reviews compliance with a deficit elimination plan	7(f)	DPS has not been required to submit a deficit elimination plan.
FRC approval of Chief Financial Officer appointment	7(h)	Refer to Resolution 2020-23.
FRC approval to alter the Superintendent's contract or to terminate the Superintendent	7(i)	Refer to Resolution 2020-23.
FRC review and approval of reimbursements for out-of-state travel	7(q)	DPS has not submitted any reimbursement requests for out-of-state travel.



Jeremy Vidito
Chief Financial Officer
Office of Finance
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TO: Financial Review Commission

FROM: Jeremy Vidito, Chief Financial Officer, Detroit Public Schools Community District

SUBJECT: Certification of the District's Compliance with Public Act 181 of 2014 (PA 181), Section 6(3);
Certification that Detroit Public Schools has met the Waiver Conditions in PA 181, Section 8(2)

DATE: October 26, 2020

1. AUTHORITY

- 1.1. State of Michigan Public Act 181, Section 6(3) states the Financial Review Commission (FRC) shall ensure that Detroit Public Schools (DPS) complies with the provisions of various State laws, as applicable, and may request verification of compliance.
- 1.2. State of Michigan Public Act 181, Section 8(1) states the FRC shall, by resolution, waive the oversight requirements designated in Sections 6 and 7 of PA 181 if certain conditions are met as provided in Section 8(2) of PA 181.

2. OBJECTIVE

- 2.1. The FRC has requested that the Chief Financial Officer (CFO) verify that DPS is in compliance with the provisions in PA 181, Section 6(3).
- 2.2. The FRC has requested that the CFO verify that DPS has met all the waiver conditions in Section 8(2) of PA 181.

3. PURPOSE

- 3.1. To certify that, to the best of my knowledge, the statements in Section 5 of this Memorandum are true and accurate, and to transmit the certification to the FRC.

4. SCOPE

- 4.1. This Memorandum is intended solely to satisfy the FRC's request for verification of compliance with the provisions in PA 181, Section 6(3) and for verification that DPS has met the waiver conditions of Section 8(2) of PA 181.

5. STATEMENT

- 5.1. In accordance with Section 6(3) of PA 181, DPSCD is in compliance with the following provisions:
 - 5.1.1. The revised municipal finance act, 2001 PA 34, MCL 141.1638(a) to 141.1638(i).
 - 5.1.2. The uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.1.3. The public-school employee's retirement act of 1979 (MCL 141.1638(2)(h)).
 - 5.1.4. The revised school code, 1976 PA 451, MCL 380.1 to 380.1852.
 - 5.1.5. Article I of the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

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DPSCD does not discriminate on the basis of race, color, national origin, sex, sexual orientation, transgender identity, disability, age, religion, height, weight, citizenship, marital or family status, military status, ancestry, genetic information, or any other legally protected category, in its educational programs and activities, including employment and admissions. Questions? Concerns? contact the Civil Rights Coordinator at (313) 240-4377 or dpscd.compliance@detroitk12.org or 3011 West Grand Boulevard, 14th Floor, Detroit MI 48202.

- 5.2. In accordance with Section 8(2) of PA 181, DPS has met the following conditions:
 - 5.2.1. Adopted and adhered to deficit-free budgets for 3 consecutive years (FY 2018, FY 2019, FY 2020) that comply with generally accepted accounting principles and are in accordance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.2.2. Both of the following conditions related to municipal securities:
 - 5.2.2.1. All municipal securities or debt obligations sold by or for the benefit of DPS in the general public market during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of DPS during that period. DPS did not sell any municipal securities or debt obligations.
 - 5.2.2.2. There is a substantial likelihood that municipal securities or debt obligations can be sold by DPS in the general public market during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with DPS's financial plan, as applicable.
 - 5.2.3. Sufficient ability to borrow in the municipal securities market.
 - 5.2.4. If applicable, did not violate the Plan of Adjustment (the "POA") in the immediately preceding fiscal year, as applicable, and is not in violation in the current fiscal year. (Note: Upon information and belief, this requirement was not applicable to DPS.)
 - 5.2.5. Compliance with the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - 5.2.6. Substantial compliance with PA 181.
 - 5.2.7. Implemented a program in which all contracts awarded by the District are posted on the District's public website within 30 days of the contract award, including the identity of the parties to the contract, the dollar amount of the contract, and a brief description of the goods or services provided by the contract.

CERTIFIED



Chief Financial Officer, Detroit Public Schools Community District

DPS FY 2017 Budget Amendment #2

	FY 2017 - Adopted	FY 2017 - Budget Amendment # 1	FY 2017 - Budget Amendment # 2	Budget Amendment # 2 Increase (Decrease) Over Budget Amendment # 1
Revenue:				
Local sources				
Property Taxes	66,000,000	58,100,000	58,100,000	-
Total local sources	66,000,000	58,100,000	58,100,000	-
State sources	-	4,339,880	4,339,880	-
Federal sources	-	35,160,478	35,160,478	-
Total Revenue	66,000,000	97,600,358	97,600,358	-
Expenditures:				
Instruction	-	6,373,208	8,070,275	1,697,067
Support services				
Pupil services	-	1,057,615	1,488,538	430,923
Instructional staff support	-	539,652	1,436,258	896,606
General administration	300,000	315,829	341,120	25,291
School administration	-	168,073	262,366	94,293
Business office	700,000	3,031,519	3,028,042	(3,477)
Operations & maintenance	-	5,496,000	7,746,640	2,250,640
Transportation	-	138,310	2,308,425	2,170,115
Central support service	-	177,006	3,032,933	2,855,927
Other support service	-	3,626	86,750	83,124
Total support services	1,000,000	10,927,630	19,731,072	8,803,442
Community service	-	16,092	181,442	165,350
Facilities acquisitions and improvement	-	2,417	2,417	-
Debt service				
SAN Debt Service	-	34,300,000	34,285,117	(14,883)
Deferred MPSERS Interest	-	5,500,000	5,500,000	-
Emergency Loan Debt Service	-	1,211,750	1,211,750	-
Total Debt service	65,000,000	41,011,750	40,996,867	(14,883)
Total Expenditures	66,000,000	58,331,697	68,982,073	10,650,976
Other Financial Sources (Uses)				
Sources				
State Transition Funding	150,000,000	150,000,000	150,000,000	-
Total Sources	150,000,000	150,000,000	150,000,000	-
Uses				
Transfer to DPSCD General Fund - Transition Operating Costs	-	(25,000,000)	(25,000,000)	-
Transfer to DPSCD General Fund	-	(15,696,275)	(15,696,275)	-
Transfer to DPSCD Food Service	-	-	(4,458,220)	(4,458,220)
Transfer to DPSCD Internal Service Fund and Agency Fund (TIP/WC/Legal)	-	(28,600,000)	(48,438,893)	(19,838,893)
Total Uses	-	(69,296,275)	(93,593,388)	(24,297,113)
Total Other Financial Sources (Uses)	150,000,000	80,703,725	56,406,612	(24,297,113)
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	150,000,000	119,972,986	85,024,897	(34,948,089)
Beginning Fund Balance	(251,587,254)	(251,587,254)	(251,587,254)	
Ending Fund Balance	\$ (101,587,254)	\$ (131,614,268)	\$ (166,562,357)	

DPS PRELIMINARY FY 2018 Budget

	FY 2018 - PRELIMINARY
Revenue:	
Local sources	
Property Taxes	58,600,000
Total local sources	<u>58,600,000</u>
State sources	4,339,880
Federal sources	-
Total Revenue	<u>62,939,880</u>
Expenditures:	
Instruction	-
Support services	
Pupil services	-
Instructional staff support	-
General administration	150,000
School administration	-
Business office	250,000
Operations & maintenance	-
Transportation	-
Central support service	-
Other support service	-
Total support services	<u>400,000</u>
Community service	-
Facilities acquisitions and improvement	-
Debt service	
SAN Debt Service	36,956,205
Deferred MPSERS Interest	2,000,000
Emergency Loan Debt Service	1,965,000
Total Debt service	<u>40,921,205</u>
Total Expenditures	<u>41,321,205</u>
Other Financial Sources (Uses)	
Uses	
Transfer to DPSCD General Fund - Transition Operating Costs	-
Transfer to DPSCD General Fund - Other	(13,100,000)
Transfer to WRESA	(2,700,000)
Total Uses	<u>(15,800,000)</u>
Total Other Financial Sources (Uses)	<u>(15,800,000)</u>
Excess (deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>5,818,675</u>
Beginning Fund Balance	(166,562,357)
Ending Fund Balance	<u>\$ (160,743,682)</u>

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

**Re: Certification for the School District of the City of Detroit Pursuant to MCL
141.1638(2)(b)(i)**

Dear Commission Members:

Pursuant to Section 8(2)(b)(i) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(b)(i), I hereby certify that all municipal securities or debt obligations sold by or for the benefit of the School District of the City of Detroit (“DPS”) in the general public market during Fiscal Year 2019-2020 and Fiscal Year 2020-2021 satisfied the capital and other financial requirements of DPS.

This certification is based upon the following:

- (1) DPS recently completed a refunding of eligible capital debt and School Loan Revolving Fund loans to achieve significant savings;
- (2) the chief financial officer for DPS (the “CFO”) indicated that 17 proposals from banks and underwriters for the refunding of these obligations were received by DPS;
- (3) the Financial Review Commission for the School District of the City of Detroit and the Detroit Public Schools Community District authorized the refunding; and
- (4) the CFO has certified that DPS did not and does not plan to sell any other municipal securities or debt obligations during Fiscal Year 2020-2021 and indicates that the DPS has not needed to borrow to address working capital or facility needs.

Sincerely,



Rachael A. Eubanks
State Treasurer



Jeremy Vidito
Chief Financial Officer
Office of Finance

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August 24, 2020

TO: Financial Review Commission

FROM: Jeremy Vidito, Chief Financial Officer

SUBJECT: DPS Certification FRC Requirement 8(2)(b)(i)

As Chief Financial Officer of Detroit Public Schools Community District (DPSCD) and Detroit Public Schools (DPS), I certify that DPS completed refunding of 2010 Build America Bonds (\$41M), 2012 Build America Bonds (\$257M) and available School Loan Revolving Fund (SLRF) Balance (\$257M) during the preceding (FY 20) and current (FY 21) fiscal year. On an annual basis DPS evaluates the cost savings from potential capital debt refunding and available SLRF refunding. DPS does not currently anticipate completing any additional refunding during the current (FY 21) fiscal year.

Requirement: 8(2)(b)(i): Both State Treasurer and CFO certify that: All municipal securities or debt obligations sold by the qualified school district in the general public during the immediately preceding fiscal year and current fiscal year satisfied the capital and other financial requirements of the qualified school district during that period (MCL 141.1638(b)(i)).

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DPSCD does not discriminate on the basis of race, color, national origin, sex, sexual orientation, transgender identity, disability, age, religion, height, weight, citizenship, marital or family status, military status, ancestry, genetic information, or any other legally protected category, in its educational programs and activities, including employment and admissions. Questions? Concerns? contact the Civil Rights Coordinator at (313) 240-4377 or dpscd.compliance@detroitk12.org or 3011 West Grand Boulevard, 14th Floor, Detroit MI 48202.

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

**Re: Certification for the School District of the City of Detroit Pursuant to MCL
141.1638(2)(b)(ii)**

Dear Commission Members:

Pursuant to Section 8(2)(b)(ii) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(b)(ii), I hereby certify that there is a substantial likelihood that municipal securities or debt obligations can be sold by the School District of the City of Detroit (“DPS”) in the general public market during the remainder of the Fiscal Year 2020-2021 and in Fiscal Year 2021-2022 in amounts sufficient to substantially satisfy all of the capital and other financial requirements of DPS during those periods in accordance with DPS’s financial plan.

This certification is based upon the following:

- (1) a certification from the chief financial officer for DPS that there is a substantial likelihood that DPS could sell municipal securities or debt obligations in the remainder of Fiscal Year 2020-2021 and Fiscal Year 2021-2022 in amounts to substantially satisfy all capital and other financial requirements;
- (2) the fact that DPS does not operate public schools and has no capital needs;
- (3) information provided by DPS and its financial advisor.

Sincerely,



Rachael A. Eubanks
State Treasurer



Jeremy Vidito
Chief Financial Officer
Office of Finance

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August 24, 2020

TO: Financial Review Commission

FROM: Jeremy Vidito, Chief Financial Officer 

SUBJECT: DPS Certification FRC Requirement 8(2)(b)(ii)

As Chief Financial Officer of Detroit Public Schools Community District (DPSCD) and Detroit Public Schools (DPS), I certify that there is a substantial likelihood that municipals securities or debt obligations can be sold by DPS during the FY 21 and FY 22 in the amounts sufficient to substantially satisfy all of the capital and other financial requirements.

In January 2020, DPS received 17 responses for underwriting and direct purchase of capital debt and available School Loan Revolving Fund Balances. DPS completed refunding those transactions totaling \$546 million - 2010 and 2012 Build America Bonds and available School Loan Revolving Fund Balance.

DPS does not currently anticipate completing any additional refunding during the current (FY 21) and succeeding (FY 22) fiscal years.

Requirement: 8(2)(b)(ii): Both the State Treasurer and the CFO certify: There is a substantial likelihood that municipal securities or debt obligations can be sold by the qualified school district during the remainder of the current fiscal year and the immediately succeeding fiscal year in amounts sufficient to substantially satisfy all of the capital and other financial requirements (MCL 141.1638(b)(ii)).

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DPSCD does not discriminate on the basis of race, color, national origin, sex, sexual orientation, transgender identity, disability, age, religion, height, weight, citizenship, marital or family status, military status, ancestry, genetic information, or any other legally protected category, in its educational programs and activities, including employment and admissions Questions? Concerns? contact the Civil Rights Coordinator at (313) 240-4377 or dpscd.compliance@detroitk12.org or 3011 West Grand Boulevard, 14th Floor, Detroit MI 48202.

Appendix E: PFM Memo



pfm

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pfm.com

February 26, 2020

Mr. Jeremy Vidito, CFO
Detroit Public Schools Community District
3011 West Grand Boulevard
Detroit, MI 48202

Dear Jeremy:

As discussed, based on our experience in the national municipal bond market, as well as familiarity and review of Detroit Public Schools Community District's finances, we believe the District would have market access should it decide to proceed with a debt financing within the District's legal limitations.

Should you have any questions or require additional information, please let us know.

Sincerely,

Kari L. Blanchett, Managing Director
PFM Financial Advisors, LLC

October 26, 2020

Financial Review Commission for the School District
of the City of Detroit and the Detroit Public Schools
Community District
3062 West Grand Boulevard
Detroit, MI 48202

**Re: Certification for the School District of the City of Detroit Pursuant to MCL
141.1638(2)(f)**

Dear Commission Members:

Pursuant to Section 8(2)(f) of the Michigan Financial Review Commission Act, Public Act 181 of 2014, as amended, MCL 141.1638(2)(f), I hereby certify that the School District of the City of Detroit is in compliance with the Uniform Budgeting and Accounting Act, Public Act 2 of 1968, as amended, MCL 141.421 to 141.440, as of the date of this letter.

Sincerely,



Rachael A. Eubanks
State Treasurer



MICHIGAN OFFICE OF RETIREMENT SERVICES
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DETROIT PUBLIC SCHOOLS
 3011 WEST GRAND BLVD.
 OFFICE OF ACCOUNTING - 11TH FL
 DETROIT, MI 48202-3013

January 21, 2020

RU: 05880

PAY CYCLE STATEMENT

Statement Period: 1/8/2019-1/21/2020
 Payment Due Date: 2/4/2020

	<u>Defined Benefit</u>	<u>Defined Contribution</u>
Beginning Balance	\$94,363,791.68	\$0.00
Plus: changes in unposted records from previous statements	\$-453.10	\$0.00
Plus: Contributions	\$0.00	\$0.00
Posted	\$0.00	
Unposted	\$0.00	
Plus: Fee for current statement	\$11.51	\$0.00
Retirement contributions due	\$94,363,350.09	
Less ACH payments received	\$0.00	\$0.00
Balance Due	\$94,363,350.09	
Pending ACH payments	\$0.00	\$0.00
Balance due after pending payments	\$94,363,350.09	

ACCOUNT BALANCE DUE WITH ACCRUED INTEREST THROUGH STATEMENT DATE

	<u>Defined Benefit</u>
Statement Balance	\$94,363,350.09
Plus: Accrued Interest through remediation date*	\$5,501,126.39
Plus: Simple interest accrued through 1/21/2020**	\$29,809,513.29
Total due as of payment due date	\$129,673,989.77

*Accrued interest through remediation date is the total accumulated interest charged on delinquent contributions through the date of the remediation agreement. It was calculated using the standard compounded interest method and will not increase.

**Simple interest, at a rate of 8%, is accrued daily and is calculated on the remaining principal balance minus payments times the number of days from the previous principal payment. Simple interest is not compounded.

The following pages show schedules for each type of interest.



10/1/2016 ACCRUED INTEREST ON DELINQUENT DB CONTRIBUTION PAYMENTS

Pay Period End Date	Payment Due Date	Most Recent Payment Due Date	Days Outstanding	Shortfall Balance Outstanding	Accrued Interest
10/20/2015	10/29/2015	9/30/2016	337	\$ 2,534,555.43	\$ 206,867.13
11/3/2015	11/13/2015	9/30/2016	322	\$ 4,381,772.87	\$ 341,716.17
11/17/2015	11/30/2015	9/30/2016	305	\$ 10,105,387.17	\$ 746,470.40
12/1/2015	12/10/2015	9/30/2016	295	\$ 5,801,067.71	\$ 414,466.80
12/15/2015	12/28/2015	9/30/2016	277	\$ 4,166,146.82	\$ 279,495.06
12/29/2015	1/11/2016	9/30/2016	263	\$ 6,983,674.95	\$ 444,835.62
1/12/2016	1/22/2016	9/30/2016	252	\$ 3,647,100.78	\$ 222,591.26
1/26/2016	2/4/2016	9/30/2016	239	\$ 7,106,305.45	\$ 411,340.59
2/9/2016	2/19/2016	9/30/2016	224	\$ 4,073,533.20	\$ 220,993.28
2/23/2016	3/3/2016	9/30/2016	211	\$ 7,073,881.60	\$ 361,493.12
3/8/2016	3/17/2016	9/30/2016	197	\$ 3,862,270.58	\$ 184,275.97
3/22/2016	3/31/2016	9/30/2016	183	\$ 7,128,880.35	\$ 15,960.08
4/5/2016	4/14/2016	9/30/2016	169	\$ 4,109,372.48	\$ 168,198.46
4/19/2016	4/28/2016	9/30/2016	155	\$ 6,896,200.82	\$ 258,881.72
5/3/2016	5/12/2016	9/30/2016	141	\$ 4,119,567.22	\$ 140,679.40
5/17/2016	5/26/2016	9/30/2016	127	\$ 7,039,632.41	\$ 216,527.72
5/31/2016	6/9/2016	9/30/2016	113	\$ 4,130,410.90	\$ 113,039.83
6/14/2016	6/23/2016	9/30/2016	99	\$ 3,988,240.47	\$ 95,626.07
6/28/2016	7/8/2016	9/30/2016	84	\$ 7,137,792.87	\$ 145,212.17
7/12/2016	7/21/2016	9/30/2016	71	\$ 3,939,673.47	\$ 67,745.18
7/26/2016	8/4/2016	9/30/2016	57	\$ 5,272,007.70	\$ 72,779.77
8/9/2016	8/18/2016	9/30/2016	43	\$ 2,413,553.17	\$ 25,135.36
8/23/2016	9/1/2016	9/30/2016	29	\$ 5,479,604.69	\$ 38,486.38
9/6/2016	9/15/2016	9/30/2016	15	\$ 2,253,442.50	\$ 8,186.49
9/20/2016	9/29/2016	9/30/2016	1	\$ 505,313.09	\$ 122.38
Total				\$124,149,388.70	\$5,501,126.39



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SIMPLE INTEREST ON DELINQUENT DB CONTRIBUTION PAYMENTS

Interest Accrual Start Date	Payment Received Date	# of Days Accrued	Fees Assessed	Remaining Principal Balance	Simple Interest Accrual	Payments Towards Principal During Time Period
10/1/2016	1/25/2017	117	\$3,037,161.35	\$119,374,530.46	\$3,177,527.51	\$4,711,140.00
1/26/2017	4/20/2017	85	\$69.06	\$117,376,259.62	\$2,247,088.83	\$2,000,000.00
4/21/2017	3/19/2018	333	\$276.24	\$115,372,252.57	\$8,564,885.02	\$2,000,000.00
3/20/2018	2/14/2019	333	\$326.24	\$113,348,388.04	\$8,413,806.72	\$2,000,000.00
2/15/2019	3/4/2019	18	(\$50.00)	\$110,996,627.37	\$445,120.67	\$2,351,698.48
3/5/2019	4/3/2019	48	\$11.51	\$109,765,144.87	\$825,553.63	\$1,231,537.61
4/4/2019	5/3/2019	30	\$11.51	\$109,447,451.29	\$721,186.28	\$317,670.55
5/4/2019	5/28/2019	25	\$11.51	\$108,316,377.62	\$598,472.53	\$1,131,073.67
5/29/2019	7/8/2019	41	\$11.51	\$99,971,597.22	\$940,441.74	\$8,416,032.96
7/9/2019	7/23/2019	15	\$11.51	\$99,902,510.30	\$328,446.61	\$0.00
7/24/2019	8/1/2019	9	\$0.00	\$99,411,636.46	\$180,318.84	\$8,488,607.20
8/2/2019	9/26/2019	56	\$46.04	\$91,411,636.46	\$1,121,994.09	\$0.00
9/27/2019	9/30/2019	4	\$0.00	\$91,334,799.13	\$80,074.34	\$83,330.38
10/10/2019	10/25/2019	25	\$11.51	\$91,330,543.44	\$500,441.33	\$0.00
10/26/2019	11/7/2019	13	\$11.51	\$91,328,932.08	\$260,224.90	\$0.00
11/8/2019	11/21/2019	14	\$11.51	\$91,328,306.08	\$280,240.28	\$0.00
11/27/2019	12/10/2019	14	\$11.51	\$91,328,203.91	\$380,325.67	\$0.00
12/11/2019	12/24/2019	14	\$11.51	\$91,325,801.61	\$280,232.60	\$0.00
12/25/2019	1/7/2020	14	\$11.51	\$91,325,801.61	\$280,232.60	\$0.00
1/8/2020	1/21/2020	14	\$11.51	\$91,325,348.51	\$280,231.21	\$0.00
Total			\$3,038,001.58	\$91,325,348.51	\$29,809,513.29	\$32,731,090.85

